

**TRANSMITTAL OF FINANCIAL REPORTS AND
CERTIFICATION OF COMPLIANCE WITH
UNITED STATES TRUSTEE OPERATING REQUIREMENTS FOR
THE PERIOD ENDED:
March 31, 2019**

IN RE: _____ :
 : **CASE NO.:** 19-40267-jpg
 : **Chapter 11**
California Palms, LLC : **Judge:** John P. Gustafson
 :
 Debtor :

As debtor in possession, I affirm:

1. That I have reviewed the financial statements attached hereto, consisting of:

<u>XX</u>	Operating Statement	(Form 2)
<u>XX</u>	Balance Sheet	(Form 3)
<u>XX</u>	Summary of Operations	(Form 4)
<u>XX</u>	Monthly Cash Statement	(Form 5)
<u>XX</u>	Statement of Compensation	(Form 6)
<u>XX</u>	Schedule of In-Force Insurance	(Form 7)

and that they have been prepared in accordance with normal and customary accounting practices, and fairly and accurately reflect the debtor's financial activity for the period stated;

2. That the insurance, including workers' compensation and unemployment insurance, as described in Section 4 of the Reporting Requirements For Chapter 11 Cases is in effect; and, (If not, attach a written explanation) **YES** XX **NO** _____

3. That all postpetition taxes as described in Sections 1 and 14 of the Operating Instructions and Reporting Requirements For Chapter 11 cases are current. (If not, attach a written explanation) **YES** XX **NO** _____


4. No professional fees (attorney, accountant, etc.) have been paid without specific court authorization. (If not, attach a written explanation) **YES** XX **NO** _____

5. All United States Trustee Quarterly fees have been paid and are current. **YES** XX **NO** _____

6. Have you filed your prepetition tax returns. (If not, attach a written explanation) **YES** _____ **NO** XX _____

I hereby certify, under penalty of perjury, that the information provided above and in the attached documents is true and correct to the best of my information and belief.

Dated: 4-24-2019



Debtor in Possession, by
Name: California Palms, LLC
Title: Managing Member
Phone: 800-262-3742

OPERATING STATEMENT (P&L)

Period Ending:
March 31, 2019

Case No: 19-40267-jpg

	<u>Current Month</u>	<u>Total Since Filing</u>
Total Revenue/Sales		
Cost of Sales	50,000	100,000
GROSS PROFIT	<u>50,000</u>	<u>100,000</u>
EXPENSES:		
Officer Compensation	0	0
Salary Expenses other Employees	0	0
Employee Benefits & Pensions	0	0
Payroll Taxes	0	0
Other Taxes	28,700	28,700
Rent and Lease Expense	0	0
Interest Expense	0	0
Insurance	0	0
Automobile and Truck Expense	0	0
Utilities (gas, electric, phone)	0	0
Depreciation	0	0
Travel and Entertainment	0	0
Repairs and Maintenance	0	0
Advertising	0	0
Supplies, Office Expense, etc.	0	0
Other Specify	0	0
Other Specify	0	0
TOTAL EXPENSES:	<u>28,700</u>	<u>28,700</u>
NET OPERATING PROFIT/(LOSS)	21,300	71,300
Add: Non-Operating Income:		
Interest Income	0	0
Other Income	0	0
Less: Non-Operating Expenses:		
Professional Fees	10,000	20,000
Other	0	0
NET INCOME/(LOSS)	<u>11,300</u>	<u>51,300</u>

BALANCE SHEET
Period Ending:
March 31, 2019

Case No: 19-40267-jpg

	<u>Current Month</u>	<u>Prior Month</u>	<u>At Filing</u>
ASSETS:	0	0	0
Cash:	0	0	0
Inventory:	0	0	0
Accounts Receivables:	50,000	50,000	450,000
Insider Receivables	0	0	0
Land and Buildings:	0	0	9,000,000
Furniture, Fixtures & Equip:	0	0	500,000
Accumulated Depreciation:	0	0	0
Other:			
Other:			
TOTAL ASSETS:	<u>50,000</u>	<u>50,000</u>	<u>9,950,000</u>
LIABILITIES:	0	0	0
Postpetition Liabilities:	0	0	0
Accounts Payable:	10,000	10,000	0
Rent and Lease Payable:	0	0	0
Wages and Salaries:	0	0	0
Taxes Payable:	28,700	0	0
Other:	0	0	0
TOTAL Postpetition Liab.	<u>38,700</u>	<u>10,000</u>	<u>0</u>
Secured Liabilities:	40,000	40,000	3,700,000
Subject to Postpetition	0	0	0
Collateral or Financing Order	0	0	0
All Other Secured Liab.	0	0	0
	0	0	0
TOTAL Secured Liab.	<u>40,000</u>	<u>40,000</u>	<u>3,700,000</u>
Prepetition Liabilities:	0	0	100,000
Taxes & Other Priority Liab.	0	0	0
Unsecured Liabilities:	0	0	0
Other:	0	0	0
TOTAL Prepetition Liab.	<u>0</u>	<u>0</u>	<u>100,000</u>
Equity:	0	0	150,000
Owners Capital:	0	0	6,000,000
Retained Earnings-Pre Pet.	0	0	0
Retained Earnings-Post Pet.	-28,700	0	0
TOTAL Equity:	0	0	6,150,000
TOTAL LIABILITIES			
AND EQUITY:	<u>50,000</u>	<u>50,000</u>	<u>9,950,000</u>

SUMMARY OF PAYABLES AND RECEIVABLES

Period Ended:
March 31, 2019

Case No: 19-40267-jpg

Schedule of Postpetition Taxes Payable

	<u>Beginning Balance</u>	<u>Accrued/ Withheld</u>	<u>Payments/ Deposits</u>	<u>Ending Balance</u>
Income Taxes Withheld:	0	0	0	0
Federal:	0	0	0	0
State:	0	0	0	0
Local:	0	0	0	0
FICA Withheld:	0	0	0	0
Employers FICA:	0	0	0	0
Unemployment Tax:	0	0	0	0
Federal:	0	0	0	0
State:	0	0	0	0
Sales, Use & Excise Taxes:	0	0	0	0
Property Taxes:	0	0	0	0
Workers' Compensation				
Other:	0	0	0	0
TOTALS:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

AGING OF ACCOUNTS RECEIVABLE AND POSTPETITION ACCOUNTS PAYABLE

Age in Days	0-30	30-60	Over 60
Post Petition Accounts Payable	10,000	10,000	0
Accounts Receivable	50,000	50,000	450,000

For all postpetition accounts payable over 30 days old, please attached a sheet listing each such account, to whom the account is owed, the date the account was opened, and the reason for non-payment of the account.

Describe events or factors occurring during this reporting period materially affecting operations and formulation of a Plan of Reorganization:

CaliParc and California Palms, Inc. secured loan to buy building and pay Pender.
loan went through underwriting, committee approval, appraisal and environmental review

MONTHLY CASH STATEMENT

Period Ending:
March 31, 2019

Cash Activity Analysis (Cash Basis Only):

Case No: 19-40267-jpg

	<u>General Acct.</u>	<u>Payroll Acct.</u>	<u>Tax Acct.</u>	<u>Cash Coll. Acct.</u>	<u>Petty Cash Acct.</u>
A. Beginning Balance	400	0	0	0	0
B. Receipts (Attach separate schedule)	0	0	0	0	0
C. Balance Available (A + B)	400	0	0	0	0
D. Less Disbursements (Attach separate schedule)	325	0	0	0	0
E. ENDING BALANCE (C - D)	75	0	0	0	0

(PLEASE ATTACH COPIES OF MOST RECENT RECONCILED BANK STATEMENTS FROM EACH ACCOUNT)

General Account:

1. Depository Name & Location Huntington Bank
2. Account Number (last 4 digits only) #5032

Payroll Account:

1. Depository Name & Location _____
2. Account Number (last 4 digits only) _____

Tax Account:

1. Depository Name & Location _____
2. Account Number (last 4 digits only) _____

Other monies on hand (specify type and location) i.e., CD's, bonds, etc.):

Date: 4-24-2019



Debtor in Possession

CASH REPORT
(BASED UPON A CONSOLIDATED ACCOUNTING OF ALL D-I-P ACCOUNTS)

CASE NAME: California Palms, LLC
CASE NUMBER: 19-40267-jpg
MONTH AND YEAR: March 31, 2019

Beginning cash balance (i.e. ending balance form previous report)	\$ <u>200</u>
Add: All receipts for the month. Do not include transfers between accounts.	\$ <u>200</u>
Deduct: All disbursements for the month. Do not include transfers between accounts.	\$ <u>325</u>
Net cash flow (receipts minus disbursements)	\$ <u>75</u>
Ending cash balance (i.e. next month's beginning cash balance)	\$ <u>75</u>

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REPORT OF UNPAID DELINQUENT POST PETITION TAXES

List all unpaid tax obligations which have accrued after the date of the filing of the Chapter 11 petition obligations) which are now due and owing (i.e. delinquent), but have, in fact, not yet been timely paid.

Do not list any prepetition tax obligations.

TAXING AUTHORITY	TYPE TAX	TAX PERIOD	DUE DATE	AMOUNT
<u>Maho. County</u>	<u>R/E prop Tax</u>	<u>1st half 2019</u>	<u>6-20-2019</u>	<u>\$28,700</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
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MONTHLY STATEMENT OF INSIDER COMPENSATION/PAYMENTS

Period Ending:
March 31, 2019

Case No: 19-40267-jpg

The following information is to be provided for each shareholder, officer, director, manager, insider, or owner that is employed by the debtor in possession.
Attach additional pages if necessary.

Name: Sebastian Rucci Capacity: XX Shareholder
Officer
Director
Insider

Detailed Description of Duties: Manage all company business

Current Compensation Paid:	Weekly	or	Monthly
	<u> </u>		<u>0</u>

Current Benefits Paid:	Weekly	or	Monthly
Health Insurance	<u> </u>		<u>0</u>
Life Insurance	<u> </u>		<u>0</u>
Retirement	<u> </u>		<u>0</u>
Company Vehicle	<u> </u>		<u>0</u>
Entertainment	<u> </u>		<u>0</u>
Travel	<u> </u>		<u>0</u>
Other Benefits	<u> </u>		<u>0</u>
Total Benefits	<u> </u>		<u>0</u>

Current Other Payments Paid:	Weekly	or	Monthly
Rent Paid	<u> </u>		<u>0</u>
Loans	<u> </u>		<u>0</u>
Other (Describe)	<u> </u>		<u>0</u>
Other (Describe)	<u> </u>		<u>0</u>
Other (Describe)	<u> </u>		<u>0</u>
Total Other Payments	<u> </u>		<u>0</u>

CURRENT TOTAL OF ALL PAYMENTS:	Weekly	or	Monthly
	<u> </u>		<u>0</u>

Dated: 4-24-19

Sebastian Rucci
Principal, Officer, Director, or Insider

SCHEDULE OF IN-FORCE INSURANCE

Period Ending: March 31, 2019

Case Name: California Palms, LLC

Case No: 19-40267-jpg

<u>INSURANCE TYPE</u>	<u>CARRIER</u>	<u>EXPIRATION DATE</u>
<u>Workers' Compensation</u>	<u>Ohio State Insur. Fund</u>	<u>6-30-2019</u>
<u>General Business Policy</u>	<u>Ace American Insur. Co</u>	<u>5-10-2019</u>
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